

DEC 09 2010

MEMO



Senate of Pennsylvania

December 8, 2010

TO: ALL SENATORS

FROM: Stewart J. Greenleaf *Stewart*

SUBJECT: Cosponsorship – **Exclude Medicare Premiums from Income under the Senior Citizens Property Tax and Rent Rebate Program**

I am reintroducing **Senate Bill 941**, amending Chapter 13 (Senior Citizens Property Tax and Rent Rebate Assistance) of the Taxpayer Relief Act (2006 Sp. Sess. Act 1) to exclude from the definition of income Medicare Part B (Medical Insurance) premiums when calculating Social Security benefits.

Under current law, an applicant is required to report as income 50% of all benefits received under the Social Security Act. This amount includes Medicare Part B premiums that are withheld from the amount paid to beneficiaries. It is my understanding that the premium for most Medicare recipients is \$96/month or \$1,156/year and is taken directly out of their payment by the Social Security Administration, so the beneficiaries never receive this as income.

Recognizing that Part B premiums are deducted automatically from a Medicare recipient's benefits, I do not believe that portion of the benefits should be counted towards their Social Security income. By revising the law to exclude the Medicare Part B premiums, it will result in applicants reporting \$578 less in income. This amount could make the difference for some in qualifying for the Property Tax and Rent Rebate Program or possibly receiving a larger rebate.

By removing Medicare Part B premiums as part of Social Security benefits when calculating income, more seniors who live on a limited, fixed income will be able to benefit from this program and help lessen the impact of higher rents and property taxes.

*If you would like to cosponsor this legislation, please contact Pat Snively of my office by e-mailing her at [psnively@pasen.gov](mailto:psnively@pasen.gov).*